



# BUDGET COMMITTEE



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**Senator Gregg's Senate Floor Remarks Prior to Final Vote on  
Fiscal Year 2009 Budget Resolution Conference Report  
June 4, 2008  
(unofficial transcript)**

First, Mr. President, let me thank the Majority Leader and the Chairman of the Committee for their kind words. They would have done the same thing were they in my position and somebody on our side was ill. I know they would have because I know the type of people they are. I thank them for their generous comments relative to my willingness to help on that issue but I especially want to knowledge, as they have, Senator Warner and especially Senator Domenici.

This is Senator Domenici's last vote on a budget. Senator Domenici and the budget have been inexorably identified together -- after basically writing the Budget Act with Senator Byrd -- for 30 years now, and for him to pair on this matter on the last vote on the budget is really a very, very gracious act, as Senator Conrad has pointed out.

I thank Senator Conrad and his staff for their courtesy and professionalism. It's always afforded to us as Republicans by the majority staff and we very much appreciate it.

We obviously disagree fundamentally over where this budget is going, but that doesn't mean we can't proceed in an orderly manner. As I said before, although I strongly disagree with this budget, I feel equally strongly the nation needs a budget, even though in this instance I will point to it as a mistake and we could have done a lot better.

But, as a practical matter, I respect the efforts put in by the majority and the majority staff and especially the Chairman of the Committee who works tirelessly on this and defends it very effectively. He has said that I will say that this is the largest tax increase in the history of the world, so let me confirm that, and let there be no mistake about it, the largest tax increase in the history of the world is in this budget.

We're talking trillions here. Trillions are hard to understand, for anybody. They're just a concept that is alien to all of us. But this budget talks in trillions. This will be the first budget that pushes the debt over \$10 trillion. That's lot of money. \$2 trillion will be added to the debt as a result of this budget.

This will be the first budget that takes non-emergency discretionary spending over \$1 trillion. I suggest that we draw the line and say that at least for one year we'll hold back and not go over \$1 trillion. We weren't able to do that. That idea was rejected.

This budget has buried in it a \$1.2 trillion tax increase and, yes, it won't occur this year, but it's assumed in this budget and that's how they get the balance in this budget. It's assumed in the out-years. That will translate when it kicks in, in 2011, into real increases in taxes for working Americans.

And although most of us can't understand a trillion dollars, we can understand the fact that for families earning \$50,000 with two children, their taxes under this proposal over the next five years will go up \$2,300. For retired people, 18 million retired people, their taxes will go up over \$2,000. That for 47 million small businesses in America today -- the engines of the economy, the engines of economic growth, the people who create the jobs in this economy -- their taxes are going to go up \$4,000, and that's a lot of money.

That's money that they should be able to keep -- it should not come to the federal government. It's their money. That tax increase shouldn't go in place. This bill has taxes in it which presume that the capital gains tax will double; that the dividends tax will definitely double for many Americans; that rates will jump dramatically; that the 10% rate will be repealed; that the estate taxes will jump dramatically. This bill essentially assumes a major tax increase on working Americans and on small business, and in my opinion, that's a huge mistake.

The other huge mistake that this budget has in it is that it makes no effort at all to control the accounts which are going to essentially bankrupt our nation for our children, which are the entitlement accounts. We know that we are sending this nation over a fiscal cliff. We know that if we do not act, our children and our grandchildren will not be able to afford this government because of the costs and the burdens of Medicare, Medicaid, and Social Security.

We know the Baby-Boom generation is going to retire. The Baby-Boom generation is alive and it is moving into retirement, and yet this bill takes no action -- no action at all -- to try to remedy this very serious fiscal problem which is going to occur on the watch of this bill. This is a five-year budget. In the next five years, over the next five-year period, the Baby-Boom generation will essentially be moved into full retirement. So this is a very serious failure of taking responsibility on a key issue of fiscal policy.

In addition, of course, we have strong differences over the amount of spending in this bill. It crosses the \$1 trillion line. The Senator from North Dakota lists some of the things that they think are important to spend money on. Yes, they are important to spend money on, but we need to set priorities around here, rather than simply increasing spending.

We ought to take a look at programs that are on the books which we can't afford or which aren't as high of a priority as those we need and move the money from those programs into the programs we want to spend more money on. This budget assumes that not one

program of all the federal programs on the books, \$1 trillion discretionary spending, will be eliminated. Not one. There are some programs we need to eliminate or reduce.

So, we have strong opinions that this budget fails in the issue of tax policy; it fails on the issue of entitlement policy; it fails on the issue of spending policy. But obviously the other side of the aisle is in the majority and, remember, they were in the majority last year, too, so they have the right to pass their budget.

And I would point out that last year they claimed they were going to give us a tax cut and they didn't give it to us. They took credit for the amendment that said they were going to give a tax cut. The tax cut was never passed. This year they're taking credit for the same amendment, and I suspect it won't pass again.

But what will pass is that these tax increases in this bill, \$1.2 trillion, on working Americans, which will come to fruition, unfortunately, because the majority assumes this event, and this budget doesn't work without those new revenues. So it's a failure, in our opinion, and that's why we're opposing it.